



5.0 Social Entrepreneurship

5.1 Introduction

Social Entrepreneurship is one of the Sub-Objectives of the Regional Initiative PEOPLE implemented within INTERREG IVC Programme. During elaboration of this Technical Specification partners of PEOPLE project agreed the following definitions of Social Economy and Social Entrepreneurship.

Social Economy is that part of the economy which is neither private nor public, but consists of constituted organisations, with voluntary members and boards of directors or management committees, undertaking activities for local benefit. The Social Economy is often referred to as ‘the third sector’ and can be broken down into three sub-sectors: the community sector, the voluntary sector and the social enterprise sector.

Social Entrepreneurship is the work of a social entrepreneur. A social entrepreneur is someone who recognises a social problem and uses entrepreneurial principles to organise, create, and manage a venture to make social change.

5.2 Rationale

Social and economic problems that can be observed in Europe were the reason for including this subject in the project. An idea of interregional activities was based on common trends of social changes across Europe, i.e. increasing trends of population changes, demographic changes, especially the ageing of European society, the rise of economic migration, inequality of living standards among different social groups and across different EU Member States, an increase in the importance of education in determining working conditions etc.

Moreover, there were also economic aspects such as: differences in economic development within the EU (but also between EU Member States and other European countries), increase in demand for qualified and efficient personnel, the relocation of production out of Europe due to lower costs (which determine enterprises’ competitiveness in the global economy), diverse economical systems and traditions of the EU member states, etc.

The economic issues have been exacerbated by the economic crisis, which has been





observed for some time and has concerned all EU countries, although to different degrees.

Additionally, it is necessary to mention the diverse systems of social policies in each country and trends of economic, social and cultural globalisation in the context of intensive and essential technological changes. All of these issues have influenced the creation of social problems, which often cannot be solved with existing, traditional methods.

5.3 *What do we want to achieve?*

There is a lack of sufficient understanding about these new social changes and the emerging new social problems, their scale, impact and nature. It is often why the problems become exacerbated or entrenched. Existing policies are not adequate to address these problems, so there's a need of policy tool improvement.

In order to ensure implementation of the Lisbon Strategy and achieve sustainable development in Europe, we face a key challenge of directing development at the local, regional, national and European levels to address and reduce social inequality, especially to counteract and to mitigate consequences of social exclusion.

To achieve this, it is essential to involve as many public bodies as possible to elaborate, implement and develop – within partnership – models to prevent effects of social, economical, technological and cultural diversification.

These models should address local and regional development in a variety of ways, focusing on: the social, institutional, legal, cultural, economic, spatial, and organisational aspects of public life. So, these models may be realised by a wide range of institutions, organisations, private and public enterprises and individuals, including their associations, on condition that they have a practical (implementing) dimension.

All of that is for realisation of following sentence: *homo sacra res homini – man must be sacred for man*. Seneca

It is observed that in an economic crisis, economical and social policies are sometimes incoherent. Economic and social interests can compete or be in conflict. This can cause social problems, which often concern employees in corporations losing their jobs or facing pay cuts and demanding intervention from government to intervene or provide support to counter falling living standards.



Any other structural and much more complex problems (concerning less visible or less organised social groups), which haven't been solved yet, are lost in a flood of demonstrations, protests and claims. In these circumstances, discussion of the social responsibility of business tends to focus on limited concerns, i.e. issues of how to support employee retention in a climate of redundancy and prevention an increase in unemployment. Few companies struggling with economical problems consider recruitment and retention of people who are excluded from the labour market and very often also from society, such as the long term unemployed, disabled or poor people, emigrants, socially disaffected youth, single parents, the low skilled or prisoners leaving confinement. Many of these groups have neither unions, nor any other type of representation.

5.4 *How are we going to achieve this?*

Nowadays, it is recognised based on social sensibility and responsibility (for those, who have more difficult access to the labour market) may play a key role in this situation. It is about recognizing social concerns as part of economic development and understanding the impact of social variables on economic outcomes. It is about acknowledging that comprehensive sustainable prosperity will not be achieved unless all members of society are able to become socially, politically and economically active. This field has developed for 20 years across Europe and is called socio economics. Its principle message concerns local development, which unites and harmonises different interests of economical and social policies for cohesion and social solidarity.

Taking into consideration 5 dimensions of social exclusion causes (i.e. exclusion from labour market, exclusion caused by poor health, exclusion caused by place of residence, educational exclusion and e-exclusion), there is essential to accept social entrepreneurship as a tool for cushioning consequences of social exclusion and for supporting local and regional development based on existing potential.

Activities undertaken within the PEOPLE project should be realised in both horizontal (addressing common issues and problems experienced by vulnerable groups) and vertical ways (addressing different groupings of: individuals, social groups, organisations, local societies and regional authorities).

Results of proposed projects should have not only practical, but also universal dimension (that can be transferred and disseminated), which may be a base for: wide dissemination, elaboration of system solutions, interregional cooperation in implementation of the most optimal solutions, inspiration for searching new ideas,



models, tools and methods of counteraction of social exclusion effects.

All results should have at least local character, i.e. should be based on local or regional development context.

Guidelines

Having regard to the role of social economy and its assignments within PEOPLE project, there are following success factors, which should be achieved:

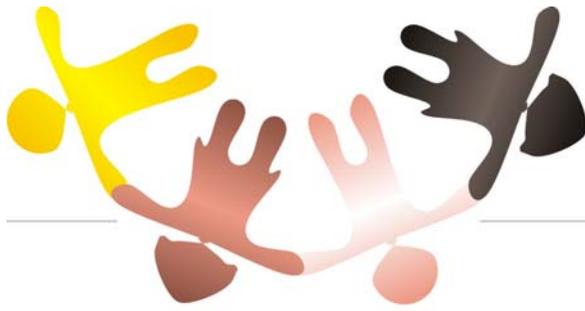
- increase of social cohesion;
- increase of social awareness and sensibility for social exclusion problem;
- increase of local and regional authorities capability in efficient support of social entrepreneurship in local development, including work to prevent an increase in social exclusion;
- increase of knowledge and practical skills of social and economical personnel working for social entrepreneurship;
- increase in social enterprises' ability contribute to cooperation for local and regional development.

5.5 Themes (priorities)

According to results of PEOPLE Experts Group and coordinators' work and taking into account analysis above, it is necessary to define fields of interests with reference to subprojects which will be implemented. Those fields should be defined as follows:

- 1) creation and development of public-private social clusters integrated geographically and cooperating with each other in other regions; including services for the benefit of social enterprises associated in such clusters;
- 2) building of network of competences and skills to develop and make social enterprises more professional; including development of CSR (corporate social responsibility) idea, use of "business angels" idea, coaching in creation of social enterprises' competence system, strengthening of public private partnership;
- 3) conception and improvement of strategic tools for social enterprises' equal opportunities on local and regional markets, including gender equality; awareness and dissemination campaigns to activate new groups which may support social enterprises' development;
- 4) improving legal regulations concerning social enterprises to define frameworks of their activity; recommendations for regional and national policies; definition





of social enterprises' concept in Europe.

- 5) Encouraging increased start up in the social enterprise sector, ensuring that entrepreneurs seeking to start social enterprises have access to good quality business support.

5.6 *Which stakeholders could be involved?*

Fundamental groups to support within PEOPLE:

1. Vulnerable groups:
 - people with disabilities,
 - youth leaving children's homes, reformatories
 - single mothers coming back to labour market,
 - people +45 coming back to labour market,
 - emigrants, immigrants,
 - prisoners leaving penitentiaries,
 - other people in difficult situation on labour market.
2. Public institutions:
 - local authorities,
 - regional authorities.
3. Business.
4. Social organisations and institutions:
 - NGOs,
 - Other

5.7 *Indicators*

- Number of training programmes for specialists in social entrepreneurship field;
- Number of specialists prepared to social entrepreneurship consultancy;
- Number of programmes or conceptions of social enterprises' clusters;
- Number of integrated international actions disseminating social responsibility for vulnerable groups and supporting social enterprises' products;
- Number of regional packets of organisation and legislative improvement of social enterprises' running conditions.
- Number of new social enterprise start ups.
- Number of corporate businesses engaged with the public sector on their





CSR programmes.

Criteria

- Cooperation of 3 sectors (public administration – NGO – business);
- Recommendations for legal changes for improvement of social enterprises standing;
- Involvement of beneficiaries in a process of development of subprojects' outputs, including recommendations and/or practical models (*empowerment rule*);
- Taking under consideration/protection one of vulnerable groups (that needs a particular support – the most important from local/regional frame of reference).

Outputs such as, but not limited to:

- 1) Creation and development of public-private social clusters integrated geographically and cooperating with each other in other regions; including services for the benefit of social enterprises associated in such clusters;
 - conceptions of social enterprises' cluster,
 - agreements concerning clusters between social enterprises and public authorities (local and regional),
 - studies and analysis on opportunities, needs and branches of social enterprises' clusters,
 - study visits,
 - Internet tools for clusters' management;
- 2) Building of competences and skills to develop and make social enterprises more professional; including development of CSR (corporate social responsibility) idea, use of "business angels" idea, coaching in creation of social enterprises' competence system;
 - training programmes for specialists – consultants for social enterprises,
 - common training and didactic materials used during specialists' training (consultants for social enterprises),
 - cooperation of training institutions, universities etc. in specialists' training (consultants for social enterprises),
 - cooperation of trainers, teachers and consultants for social enterprises, including formation of associations of them,
 - study visits,
 - Internet tools for management and internal communication of the





- network,
 - publications;
- 3) Conception and improvement of strategic tools for social enterprises' equal opportunities on local and regional markets, including gender equality; awareness and dissemination campaigns to activate new groups which may support social enterprises' development;
- promotion actions supporting social entrepreneurship,
 - agreements (e.g. of public authorities, social enterprises and other social economy entities) for improvement of social enterprises running conditions,
 - exchange of experiences and good practices in supporting social entrepreneurship,
 - tools and instruments of supporting social enterprises (financial, organisational, marketing, consultancy, training etc.),
 - study visits,
 - conferences, seminars, other events,
 - Internet tools for management,
 - publications;
- 4) Improving legal regulations concerning social enterprises to define frameworks of their activity; recommendations for regional and national policies; definition of social enterprises' concept in Europe.
- research and analysis,
 - conferences, seminars,
 - publications, reports,
 - recommendations for public authorities in supporting social entrepreneurship (including recommendations for European Commission).
- 5) Encouraging increased start up in the social enterprise sector, ensuring that entrepreneurs seeking to start social enterprises have access to good quality business support.
- promoting actions,
 - training for start up drivers for example on variety sources of business support,
 - contact between start up drivers and successful businesses,
 - study visits,
 - exchange of experiences and good practices.

